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Developing a Business Plan for a Company in the Agricultural Sector: a Case study of A- Faber Ltd

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Developing a Business Plan for a Company in
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The purpose of this thesis project is to develop an operational customer and marketing oriented business plan for a case company A-Faber Ltd, which operates in the agricultural sector. The company's target customers are mainly organic farmers and farms. Organic farmers' need for effective grain cleaning has created a market opportunity for the grain cleaning equipment. The purpose of the company's business plan is to define the company's current situation and to highlight the development objects and needs in order to enhance the customer and marketing-oriented operations.

The knowledge base of the thesis covers the development of a business plan in theory complemented by various articles on the subject. The essential steps in developing a proper business plan are clarified in the theoretical section.

The used research approach used is the case study, which was executed by using empirical evidence, existing documents and the experience, and knowledge of the owners. The utilized methods in the study were interviews, discussions, observation and the analysis of existing data.

In the study it became evident that A-Faber Ltd's main challenges are the lack of resources and the lack of data collection methods and systems. A-Faber Ltd should mainly focus on developing its customer feedback collection methods in order to develop existing and new products. The company should gather more information about customer behavior depending on the marketing channel used to be able to make the marketing more effective by concentrating on the right marketing channels that reach the customers in the best and the most cost-effective way. A-Faber Ltd's aim is to create short surveys for the Internet and to make the feedback section more visible. To gain as reliable information as possible the aim is to collect information from customers but also from other sources, which can be used to improve the business in the right direction and design and develop old and new products.

Keywords: Business plan, customer-oriented, marketing-oriented, marketing, develop

Pelanteri Viivi

Liiketoimintasuunnitelman kehittäminen maatalouslalla toimivalle yritykselle: Tutkimusotteena A-Faber Oy

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Opinnäytetyön tarkoitus on luoda toiminnallinen asiakas- ja markkinointilähtöinen liiketoimintasuunnitelma A-Faber Oy:lle, joka toimii maataloussektorilla. Yrityksen kohdeasiakkaina on pääasiassa luomuviljelijät. Luomuviljelijöiden tarve tehokkaaseen viljanpuhdistukseen on luonut markkinoilla mahdollisuuden viljanpuhdistuslaitteen tai -apuvälineen myynnille. Yrityksen liiketoimintasuunnitelman tarkoituksena on määritellä niin yrityksen tämänhetkinen tilanne kuin tuoda esille yrityksen kehityskohteet ja tarpeet, joiden avulla voidaan tehostaa asiakas- ja markkinointilähtöistä toimintaa.

Opinnäytetyön tietopohja kattaa liiketoimintasuunnitelman kehittämisen teoriassa täydennettynä aiheesta olevilla useilla artikkeleilla. Asianmukaisen liiketoimintasuunnitelman kehittämiseen liittyvät olennaiset asiat on selvitetty teoriassa.

Opinnäyte työn tutkimuksen lähestymistapa on tapaustutkimus, joka on toteutettiin empiirisen näytön, olemassa olevien asiakirjojen, omistajien kokemusten sekä tietämyksen avulla. Tutkimuksen metodeina on käytetään haastattelua, keskustelua, havainnointia sekä olemassa olevien tietojen analysointia.

Tutkimuksessa ilmeni, että A-Faber Oy:n päähaasteina ovat resurssien sekä toimivien tietojen keräys tapojen puute. A-Faber Oy:n tulisi pääasiassa kehittää asiakaspalautteiden keräys tapoja, nykyisten ja uusien tuotteiden kehittämiseksi. Yrityksen tulisi myös kerätä enemmän tietoa asiakkaiden käyttäytymistavoista eri markkinointikanavien osalta, jotta yrityksen ja tuotteiden markkinointia voidaan tehostaa keskittymällä enemmän markkinointikanaviin, jotka parhaiten ja kustannustehokkaimmin tavoittaa kohde asiakkaat. A-Faber Oy:n tarkoitus on luoda lyhyitä kyselyitä Internetiin sekä tuoda palaute mahdollisuutta näkyvämmäksi verkkosivuilla. Mahdollisimman luotettavan tiedon saamiseksi, tavoite on kerätä tietoa asiakkaiden lisäksi myös muista lähteistä, joiden avulla voidaan liiketoimintaa kehittää oikeaan suuntaan, sekä suunnitella ja kehittää vanhoja ja uusia tuotteita.

Keywords: Business plan, customer-oriented, marketing-oriented, marketing, develop

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1 Introduction

Every company should create a business plan in order to develop the business. To be able to utilize all the potential of a business plan, the plan should be updated regularly. A business plan can be utilized in different situations, which must be decided by the company before developing the plan, because the structure of the plan may differ depending on the purpose of the business plan.

The thesis is created in order to develop a business plan to a case company. The business plan is developed by utilizing empirical evidence and support the findings by knowledgebase introduced in chapter 2. The knowledgebase is based on theories, studies and articles concerning the subject of the thesis.

1.1 Case company, A-Faber Ltd

A-Faber Ltd was established in 2001 and was actively operating during years 2001-2008. In 2013 two out of three founding members sold their shares to Kaisa, Lauri and Viivi Pelanteri. Since 2013, A-Faber Ltd has been family owned company, and has been active since the change of the ownership. The company sells farming related products to farmers and farms in Finland.

Currently, A-Faber Ltd has not employees. The owners of the company are running the operations, which is the reason the company has not a lot of resources. The production of the company's products is outsourced to subcontractors.

A-Faber Ltd operates in agriculture industry. The market situation is unstable because of the lack of support to farmers and farms, the government cuts and the uncertain future of the climate change.

1.2 Purpose of the thesis and the research problem

The purpose of A-Faber Ltd's business plan is to give guidelines for the company's marketing oriented approach of the operations and show the company the steps that need to be taken in order to develop the operations in every aspect. The object is to create an operational business plan to an existing company that does not have a business plan yet. The research problem is to create marketing-oriented plan to develop A-Faber Ltd's operations, collect more data from customers and to give direction to the company for the future.

1.3 Research approach

The research approach is a case study executed by using empirical evidence. The study is conducted by interviews, discussions, observations and analysing existing data. The Interviewees are the owners of the company. To gain deeper knowledge discussions are conducted with the owners of the company in order to gain knowledge and make observations.

1.4 Knowledge base

Knowledge base of the thesis covers development of a business plan as a theory complemented by various articles of the subject. The business plan theory clarifies the steps that are essential in developing a proper business plan. The focus in the business plan is to develop and create marketing to be more efficient and focus better on the target customers.

1.5 Framework of the thesis

The thesis is divided to seven main chapters. The introduction chapter presents briefly the background of the thesis and the case company. The knowledgebase chapter introduces the theory and knowledge about a business plan, consisting the benefits and a purpose of the plan. The research approach chapter introduces the chosen research approach and variety of methods to execute the study concentrating on the chosen methods. The limitations and the reability of the study are presented in the research approach chapter. The chapter on empirical study is about the case company's business plan, where the issues and future goals of the company are outlined. The conclusions and recommendations chapter outlines briefly the company's current situation, the issues to consider and the recommendations for the future actions. The theoretical linkage chapter includes discussion between the theory and the empirical study. The last chapter consist the brief summary of the thesis.

2 Knowledge base

2.1 Business plan

A business plan has two dimensions, physical and mental. The physical dimension defines the mission of the business, lists strategies and objectives and gives details about the services and products. The mental dimension is about experience, skill and insight converge to envision the future. The plan binds the two dimensions into one in order to clarify the organizational and market place areas and to create order in to what can turn easily into disorder. (Norton 2004)

The understanding of business plan and planning allows handling similar situations with a high level of managerial competence. The process permits to estimate the organization's or business unit's strengths and weaknesses and enables measuring concrete results of the analysis to form rational evaluation about the management styles of different individuals. The needed skill level to achieve the objectives can be determined and the personnel's performance can be strengthened. The types of market intelligence to increase the rightness of the decisions can be recognised. (Norton 2004, 6)

An effective plan is useful communication tool, which clarifies the vision, the objectives and the strategies of the organization that can be twisted through other communication tools and verbal communication. (Norton 2004)

The quality and the efficient of the plan depends of the plan writer's commitment to planning, support from senior management and skill. The will and courage to move over the current problems in order to see the predictable future is probably the most important in the planning process. (Norton 2004)

The business plan's content, length and style depends on the company's decisions or activities that it is developed to support and the people it is prepared for. The company can decide to develop a business plan with a larger scale, including all the aspects of the business, or smaller scale with specific and necessary aspect of the company and its business. The business plan may consist with the summary of the company containing overall information about the company as vision, mission and objectives the product and service of the company. Basic information of the business including contacts and advisors of the company. The current business situation defining the business and the market it operates, competencies and market positioning. The business plan can include different sorts of analysis as financial, strategic and risk analysis, variation of plans as strategic and marketing plans. A business plan can be shaped to fit the objectives that the company desires to achieve. (Friend & Zehle 2004)

2.2 Benefits of the business plan

Gaining the skills to develop resourceful plan will improve the ability to estimate the markets and calculate the chances of success, the ability of identifying the competitor's strategies in order to response before the materialization of them, prevent and solve internal difficulties, identify the needs and buying behaviour of the customers in order to find new market and product opportunities. The plan will enhance the skill to create strategies and tactics in order to gain competitive advantage, efficient management of the personnel, to concentrate the resources to the right selected markets, to energize the organization to take advantage of the arising opportunities. (Norton 2004)

Most people only write a business plan when they are looking for funding, because they find it too difficult and unnecessary. It is essential to write a business plan even without funding purposes to keep the business on track. Ten benefits of a business plan are staying on the strategy, clear business objectives, better educated guesses, clarification of priorities, understanding of interdependencies, keep track through milestones, better delegation, result tracking and managing team members become easier, planning and managing the cash flow and possibility of course corrections. (Berry 2013)

Strategy with daily routines and interruptions is difficult to follow without a business plan. The Business plan helps to summarize the main parts of the strategy as well as reminds what has to be done and what should not be done. A business plan clarifies the objectives of the business and defines and manages certain measurable objectives. The plan helps to develop the guestimates for an example in potential market. Through a business plan priorities of the business can be clarified and the understanding of causal relation increases. The business plan collects to one place the dates and deadlines to help keep track of the actions to reach the milestones and goals. Business responsibilities can be identified and clarified in the plan, which helps to manage teams and to keep track of the results. A Business plan is good way for following up the disparity of expectations and results as well as keeping track of planning and managing cash flows. A business plan enables to foresee possible threats and act on it before it is too late. (Berry 2013)

2.3 The purpose of the business plan

A good business plan tells connected and cohesive story about the customers of the company. It identifies the market and its prospects, the customers, suppliers and competitors. The plan contains authentic assumptions and predictions of business planning and tells the way for the business to achieve and sustain competitive advantage. The plan identifies where the business is most sensitive, the possible risks and the easing actions. A good business plan contains the identification of the financial needs and description of the people, who are involved in the business management. The people implementing the plan support it. (Friend & Zehle 2004)

The purpose of the business plan may vary from monitoring your company's progress toward goals to attracting employees to join the company. Before beginning the writing process the purpose of a business plan should be set because for internal purposes created plan may be completely unsuitable for example attracting potential customers. (Entrepreneur 2014)

A business plan clarifies the vision of the company and helps to organize the steps to take in order to be successful in the business. Created business plan helps to keep on track during daily decisions. Business plans is an effective way of defining the company's goals and show the required steps to be taken in order to reach the goals. In a good business plan the future plans are developed to future projections but also for a situations that the projections are not right. (Ray nd.)

In agricultural business the business planning is done in order to provide direction and gain the probability for success. The planning is crucial for companies operating in agricultural business because of the uncertainty of agricultural production, which includes production, price and financial risks. (Penn State Extension 2015)

2.4 Market Analysis

The target of a market analysis is to determine attractiveness of the market and to comprehend the market's progressing opportunities and threats and the relation of them to the company's strengths and weaknesses (NetMBA 2010). Market analysis is about conducting a market research and analysing the information in order to gain knowledge about market size and structure, pricing effectiveness, segmentation and attitude and use of products (Hague et .al 2013).

2.4.1 Target market

Target market means the group of people that the company is focusing their product or service. Target customers should be identified as detailed as possible to be able to focus the marketing on that specific group. The questions to be answered when defining the target market are what gender the target customers represent and how old they are, are they living in certain area and what they do for living, what is the target customers' financial situation and is there some matters in their lives that should be considered. By answering the question the target market will become clearer and the actions to be taken in order to reach the group can be decided better. (Entrepreneur 2015)

2.4.2 Customer behaviour

Consumer behaviour is a research of how a person or people buy, use and dispose goods, services, ideas or experiences in order to satisfy their needs and wants. The preferences of consumers differ depending on the culture, situation and individual characteristics. The consumer behaviour research can be divided to three dimensions: culture, social group and individual research. (Kotler, Keller, Brady, Goodman & Hansen 2009)

Customer behaviour pattern includes elements of internal information processing, which is guided by external information and stimuli as belief, perception, attitude and preference. Belief means the customer's conviction and the company's opinion of the product, perception is based on the customer's intuition and gathered information leading to product recognition of the desired product. Attitude is about the way of thinking about the product. The preference is about customer preferring a product over other products based on the customer's belief, perception and attitude. (Mathur 2008)

Customer behaviour is based on customers' decisions. Understanding customer behaviour is crucial to companies even the research of customer behaviour is complicated process. The definition of customer behaviour is a study of consumers and their used processes in choosing, using and disposing of different products and services. (Marketing teacher nd.)

Every single customer has different way of thinking and different matters appeal them. Some consumers choose to buy the product because they sense the product might not be on the markets for long, when others decide to pay more for the product because it is known for good qualities. (Cohen 2015)

The process of how consumers make choices has been examined by social scientists. The result was that consumers' decision-making process is more difficult when they have more than seven choices. Consumers' decision-making process is then also unconscious, when the consumer's exposure of different advertising affects the choosing. According to the examination results multiple brand exposures are important and powerful during consumer's decision-making process. (Cohen 2015)

Collecting data from consumer behaviour helps the company to target the marketing better. The data can be collection can be objective or subjective. Objective data is collected from statistics about the purchasing habits and subjective data is collected from consumer views about the products. (Myers 2015)

2.4.3 Customer behaviour research methods

Surveys differ from questionnaires in the amount of information they can gather. A survey can be a brief phone call or online poll, which are quite short and general. Questionnaires can be more specific and are usually longer and more detailed than surveys. The verification of the survey and questionnaire answers and the truthfulness of them is difficult. (Myers 2015)

Focus groups and interview are similar in ways in data collection. In Focus group a facilitator is collecting data from a group of people at the same time, when in the interview the facilitator is with the consumer one on one. The facilitator is trained to gather information of the opinions and reactions of the participants. Focus groups and interviews give a lot of data, but the reability of the data depends on the influence of possible dominant personalities in the group or facilitator's prejudice. (Myers 2015)

Panel is a long-term research method, which might take several years of time. The survey is done regularly to the panel members in order to get the information about the consumer habits over time. (Myers 2015)

Google Analytics is a service that creates specific statistics and insight about the company's website traffic, usability, conversions and sales. It helps to contribute insight and feedback about the activity of the company's website. (The Halo Group 2015)

2.4.4 Competitive analysis

An operating company usually has direct and indirect competitors that the company must know. The most useful research of the competitors is done using customer-based approach. After defining the direct competitors, the competitors can be examined by using parameters as the competitors goals and objectives, commitment level of the managers and stakeholders, the competitors growth prospects, possible considered closure and barriers of existing, cost and financial structure and the position of the competitor's product. (Mathur 2008)

The competitors of the company must be considered when creating a business strategy. A competitor analysis has two necessary activities, research information about the competitors and utilizing the information to the company's advantage by predicting the competitor's behaviour. The goal is to gain understanding of the competitors that the company is competing with, gain knowledge and predict the strategies and actions of the competitors and how the competitors will react to the company's actions and how the company take advantage by influencing the competitors. (Competitor Analysis 2010)

Understanding the company's current and potential competition is the first step of competitor analysis. The competitors can be identified efficiently in two ways. By looking at the market from the customer's point of view and grouping the competitors by the way they debate of the buyer's money- The other method is to group the competitor by the competitive strategies in order to understand the motivations of the competitors. (Entrepreneur 2006)

Competitor Analysis Framework has four key aspects of a competitor, objectives, assumptions, strategy and capabilities of the competitor. By understanding the components of the framework, the company can develop understanding of their competitors' strategies, strengths and weaknesses. (Porter 1998)

The statement of the business strategy and how it relates to the competition is called the competitive analysis. The purpose of the analysis is to identify the competitors' strengths and weaknesses that operates on the same markets. The analysis helps to create strategies that give advantage and prevent new competitors from entering the market. The analysis will also provide information about any weaknesses that can be utilized in the product development. (Entrepreneur 2006)

2.4.5 SWOT

SWOT analysis is one of the most popular analyses, which helps the company to identify the strengths, weaknesses, opportunities and threats. In the analysis the company's existence is examined in the light of internal and external factors. The internal factors are the factors that company can influence are the strengths and weaknesses. The strengths help the company to success and accomplish the objectives and goals. The weaknesses are the opposite of strengths and prevent the company from reaching the objectives and goals. (SWOT-Analyysi nd.)

The main purpose of SWOT analysis is to define the strategies that will develop a company specific business model that fits the best to the company's resources and capabilities to the operating environment's demand. The various possible strategies are compared against other strategies and the set of strategies that will create and maintain a competitive advantage is identified. (Hill & Jones 2007)

The external factors are the one's in the operating environment, opportunities and threats. The company can success by utilizing the opportunities. The threats will risk the company's success or even existence if the threats become reality. (SWOT-Analyysi nd.)

The SWOT analysis can be utilized broadly to evaluate different matters. Based on the analysis, the company's speculation become easier and based on it larger action proposals can be designed. To help to make conclusion following rules can be used. The strengths should be utilized and make stronger. The weaknesses should be avoided or reduced or removed. The opportunities utilization should be ensured. Company should try to avoid, reduce or remove the threats. (SWOT-Analyysi nd.)

The SWOT analysis can deepen the results given in the mapping of the current state's results. Each field of the analysis can be divided to different areas as financial, customer, process and personnel aspect. To be able to establish successful analysis, it requires good knowledge of company and the operating environment and company's operations diverse and objective examination. (SWOT-Analyysi nd.)

Swot analysis method is easily utilized to the support of marketing plan. Based on completed SWOT analysis the conclusions of utilizing the strengths and future opportunities are made and the decisions how to transform the weaknesses in to strengths and how to avoid the threats. (Markkinointisuunnitelma nd.)

2.5 Marketing strategy

Marketing can be viewed from the product oriented or customer relationship concepts point. Both aspects highlight the meaningfulness of customer's needs and wants. (Kotler et.al. 2009)

External environment analysis, research of the company's internal strengths and weaknesses, idea generation for planning and prioritising the ideas, customer behaviour, competitor and market analysis, drafted plan and final plans with predictions of sales and cash flow are necessary steps in order to make plans. (Mathur 2008)

2.5.1 Marketing method, social media

Social media as a marketing tool can improve the business on different ways. It can increase the brand recognition, improve brand loyalty as well as give more opportunities to convert and higher conversion rates. Social media as a marketing tool can affect positively to brand authority, inbound traffic, search engine rankings, on customer insights and customer experiences. It can also decrease marketing costs. (DeMers 2014)

Social media increases the valuable visibility of the company. The social media networks are new marketing channels that make the company more open to new customers and familiar and recognizable to existing customers. (DeMers 2014)

Brands that utilize the social media channels have higher loyalty from the customers according to a report published by Texas Tech University. The report settles to a conclusion that tools that social media gives to companies should be taken advantage of in order to connect with the customers. (DeMers 2014)

All the posts in social media are convertible meaning that customer can convert the post, which will be accessible to more people with whom the company can interact. Everything the company shares is an opportunity for someone to react, which can lead to more reactions, site visits and eventually conversion. Every positive interaction increases the possible conversions, even every interaction with the brand will not result in conversion. (DeMers 2014)

People prefer doing business with other people than with companies. Social media is a create way for companies and brands to act as people do, which increases the conversion rates. (DeMers 2014)

Social media is a good place to gain brand authority by interacting with the customers, which shows good fait for other customers. People often go to social media to compliment or brag about a product or service, which includes the brand name. The positive visibility can bring new audience to follow the updates that will seem more valuable and authoritative to other users, when the people are talking about the brand in social media. (DeMers 2014)

Social media increases the inbound traffic because there is more ways to find the brand than to be familiar with the brand already and to search for keywords the brand is currently ranked for. Social media profiles are paths leading to the company's site and opportunities for new visitors. (DeMers 2014)

Marketing in social media is cheap since the investment on social media marketing is about six hours per week to generate increased traffic, according to Hubspot. In social media the company can start with small efforts and once got better picture of the expectations, the budget can be increased. (DeMers 2014)

Social media activity can result in better search engine rankings. The more the company utilizes social media profiles and pages and the more active the company is there might act as a search engine "brand signal" for legitimate, credible and trustworthy brand. (DeMers 2014)

Customer experience can be made richer and improved by utilizing social media. Customer experience can be improved by interacting with the customers through social media, which is also a possibility to show the customer service level of the company and improve the relationship with the customer. (DeMers 2014)

Customer insights can be improved by social listening. The comments of the people can be monitored and that way the company has an opportunity to gain valuable information about and from the customers. (DeMers 2014)

2.5.2 Product and brand

Detailed knowledge of the offered product is important. The company has to know the product's users and their buying behaviour, how the customers use the product, the benefits from the product that customers demand, the price that the product's users are willing to pay, knowledge about the competition. The company should conduct a survey in order to define the rate of product need in different market segments. (Mathur 2008)

2.5.3 Pricing

The brand equity, company's goals and demand patterns are the competitive forces effecting to the price of the product. Product pricing is critical in highly competitive world in order to the company succeed and make profit. The elements to consider when the prices are fixed are the cost of production, plans of profitability, brand image, seasonality of the business, market segments, competition, life cycle stage of the product, offered guaranty, payment methods and terms, special offers, the company's product range, product launches and value and utility for the customers. The usual three market situations, monopoly and oligopoly market and perfect competition, effects to the pricing, because each situation opens different pricing opportunities. (Mathur 2008)

One of the most difficult decisions for a company is how to price the product or service they offer. The options are from giving the product or service away for free to base the pricing on costs to premium pricing, charging as much as possible. (Zwilling 2010)

The pricing decision defines the brand image, funding requirements and long-term business viability of the company. The model the company chooses effects to the business strategy and is the key in achieving the financial objectives. It is clear that the chosen pricing method is connected with the features of the chosen market and customers and the chosen strategy is consistent wit the company's future products and direction (Zwilling 2010)

Ten proven pricing models are giving the product or device for free and making money on advertising; free product, bundled with paid services; the freemium model, cost-based model, value model, portfolio pricing, tiered or volume pricing, market pricing, feature pricing and razor and blade model. (Hirai & Zwilling 2011)

Most of the social applications such as Facebook, Twitter and Pinterest follow the model that the service is free and the profit is collected by selling advertisement space to other companies. The model is complicated to follow successfully, because the company needs a lot of

luck and or a lot of money in order to gain critical mass with the model. (Hirai & Zwilling 2011)

The pricing model, free product, bundled with paid services is usual for open source software. The product is free to download but support for the customers is charged. The company can charge for download, maintenance, training, customization and consulting services. The pricing model is often used when the software is a marketing tool. (Hirai & Zwilling 2011)

The freemium pricing model means that the company offers a version of a product for free. The company offers premium product for customer for a certain price in order to gain profit. In order to use the pricing model successfully the company must offer free product that attracts the customer to use the product and hopefully lock in the customer to buy the premium version. (Hirai & Zwilling 2011)

Cost-based pricing model means that the product's price is many times the production cost of the product. The profit margin depends on the industry. The company needs to get profit from the products and the retailers have standard mark-ups, which means that the customer can pay for the products many times more than the actual production cost is. (Hirai & Zwilling 2011)

Value pricing model is about defining the value of the product and service. The value of the product or service must be visible to customers and the key is to demonstrate the product's or service's value to the customer comparing it to competitors' alternatives. (Hirai & Zwilling 2011)

The company can utilize portfolio pricing, when they offer product or service packages and all the products or services have individual price. The benefit for customer and profit to the company can be maximized even the strategy can become complex. (Hirai & Zwilling 2011)

Common pricing method for business-to-business sales are tiered or volume pricing. Different types of buyers purchase the product in variable quantities. The company will have deals as when the buyer purchases over 100 units they get 10 per cent discount and if the purchased units go over 500 units the discount will be 15 per cent. (Hirai & Zwilling 2011)

The companies operating in highly competitive markets where the prices of all the competitors' are available to the customers can use market-pricing method. When the company utilizes market pricing method the price of the product is set mainly based on supply and demand. By good reputation the company is able to set the price a bit higher. The company can also set the price higher if they are able to offer added value. (Hirai & Zwilling 2011)

Feature pricing method means that the company offers a product with additional optional upgrades to the product in order to attract buyers with a lower price and increase the profit by selling the features to the product. The threat to the model is that if the company fails with the model the customers might feel tricked and drive them to go and buy the competitors products. (Hirai & Zwilling 2011)

The razor and blade-pricing model can be used when the company offers a product that must be renewed regularly. The company can sell for low price the base component but to be able to use the product the customer must renew part of the product periodically. (Hirai & Zwilling 2011)

The company should research the industry and competitors when choosing the pricing method. Start-up companies should start with basic methods in order to not to frighten the customers. The customers should be listened while studying and choosing the pricing method in order to create successful pricing strategy to the company. (Hirai & Zwilling 2011)

2.6 Financial Analysis

Financial analysis is a finance function view of the overall business. The analysis contains examination of historical data to gain knowledge about the financial health of the company currently and in the future. Financial Analysis can be used to give information that the company's managers need to make important decisions in different situations. The goals and objectives of the company are determined and the outcomes measured in financial terms. (Financial Analysis nd.)

The finance function in business includes evaluation of economic trends, determining financial policy and developing long-term plans for activities of the business. A system of internal controls for cash handling, sales recognition and expense disbursement, inventory evaluation and the approval of capital expenditures is included in the finance function. The finance function prepares the financial statements for instance income statements, balance sheets and cash flow statements to report on these internal control systems through them. The financial analysis is an important part of the overall function of finance, which gives valuable information for management decisions. (Financial Analysis nd.)

The financial analysis can be a significant tool for the business owners and managers in measuring the progress toward the goals of the company and competing with the larger companies operating in the same industry. The analysis can be used to acknowledge and adapt to trends influencing to the company's operations. (Financial Analysis nd.)

Balance sheet, income statement and cash flow statement of the company are the three main sources of information for financial analysis. (Financial Analysis nd.)

The financial and physical resources that the company has available for the future business activities are outlined in the balance sheet. The Balance sheet lists resources instead of judging how well the management will use the resources, which is the reason the balance sheet is more useful in analysing the current financial position of the company than evaluating expected performance. Assets and liabilities are the main elements of the balance sheet. Assets usually involve current and noncurrent assets. The current assets contains for an example accounts receivable, inventory and prepaid expenses, which are cash or equivalents that will be transformed to cash within one year. The noncurrent assets mean the assets that are used in running the business and are held for more than a year such as property, plant and equipments. The liabilities include current liabilities and long-term debts. Current liabilities mean the debts that must be paid within a year. The debts that are required in more than a year are the long-term debts. (Financial Analysis nd.)

The knowledge of the company's performance over a certain period of time is provided in the income statement. The statement does not give information about the financial condition of the company but contributes prognostics of the company's future viability. The income statement's main elements are revenues earned, expenses incurred and net profit or loss. The net income indicates the accomplishments of the company over the statement period. (Financial Analysis nd.)

The cash flow statement records the performance of the company over a certain period of time. The statement indicates exact amount of actual money the company has earned by showing how the company has performed in managing the cash inflows and outflows. (Financial Analysis nd.)

3 Research approach

The definitions of research vary depending on who is answering the question. Subject of analysis often influences to the definition. Target of a research is to discover new facts and findings conducted by diligent search, investigation or experimentation. Research can be quantitative, qualitative, pure meaning theoretical, applied longitudinal study and empirical study. (Adams, Khan & Raeside 2014)

The research methods are dependent of the nature of the research problem. For an example animal or human behaviour research is more complex and difficult to conduct that research

problem that is purely physical in nature. The research methods are usually joined with scientific tools. (Adams et.al. 2014)

3.1 Primary data collection

Primary data collection means that the researcher gathers own original data. For the primary data collection it is necessary to consider and plan the data collection carefully. Primary data collection methods are case study, interview and discussions, observation, experimentation and surveys. (Adams et.al 2014)

3.1.1 Case study

Case studies are utilized in order to examine specific phenomena or settings. The method is common in business studies and useful for analysing organisations. Case study can be narrow scoped and generalisation can be complex. The method is usually utilized to define if a certain approach can work in specific setting. (Adams et.al 2014)

A case study is defined in many ways. It refers to a research of a social phenomenon. A case study is carried out within the boundaries of one or few social systems as people, organizations, groups, individuals, local communities or nation-states, in which it is researched in the case's natural context. The phenomenon is monitored during a certain period of time. In a case study the focus is on process tracing. The researcher is guided by a broad research question to explore the data. The main data sources are available documents, interviews and observation. (Swanborn 2010)

3.1.2 Interview and discussions

Interviews are often utilized in business and management research. The method allows collecting a lot of information. The interview method can be conducted with one person or in groups. (Adams et.al 2014)

Formulation is crucial to successful research. Business and management should use talking with the relevant stakeholders to the part of formulation. The part can be discussions with managers, employees or customers in order to gain knowledge and understanding of the important matters to the interviewees. (Adams et.al 2014)

3.1.3 Observation

Observation is a data collection method, which should be included as an important element regardless of which data collection method the researcher utilizes. Significant findings in research have been accidental and captured from unsuccessful data collection methods by observation. In order to utilize the data collection method, the observations should be documented by maintaining a research diary. (Adams et.al 2014)

3.1.4 Experimentation

Experimentation can be reliable and effective way of collecting data and verifying theories. The design of experiments is often viewed as complex procedure, which results in the researcher choosing simple design data collection methods. (Adams et.al 2014)

3.1.5 Surveys

Surveys are maybe the most utilized data collection method in business and management researches. The surveys are used because the researchers are reluctant to consider other data collection methods, even the response rates from surveys are low. (Adams et.al 2014)

3.2 Secondary data collection

Secondary data means the data that someone else has collected as books and Internet. The data can be the main source for the research or to use it to support the data collected by primary data collection methods. (Adams et.al 2014)

3.2.1 Internet search

The surfing approach was typical to find information from web until the availability of search tools. The surfing is browsing without structure and is not efficient method to find information. The knowledge of search tools is necessary to use in order to find relevant information from different sources. (Adams et.al 2014)

3.3 Chosen method

The chosen research approach is a primary data collection method, a case study. The existing data is analysed and the research includes interviews and several discussions with the case company's owners.

The interviews are conducted with written and oral questions about the company, the questions are open questions in order to gain as much knowledge as possible. The discussions' main objective is to gain basic and more advanced knowledge about the case company's situation, the overall information about the company's operating markets and knowledge from experiences concerning the target customers.

3.4 Methodology

The research methodology is a case study executed by using empirical evidence, in which the experiences and knowledge was used conduct the study. The reason to utilize the research methods interview, discussions, observation and existing data is that the methods are the most suitable for the case company at the moment. The company does not have resources or opportunity to collect data from customers face to face and because of the season, the business is slow and the products are not in use, the feedback from the customers is not available. The company has not collected any data from the customers systematically, which means all the available information is in experiences and knowledge.

The interview method was used in order to the author to gain deeper knowledge of the company. The interviews were conducted as open interview where specific questions were not prepared in order to have open discussion and to discuss more about the important matters.

The discussion method was used in order to open the essential questions that arise while planning the case company's business plan. The matters were discussed by questioning the activities or operations to find out best solutions.

The Observation method is based on the observation done during the Okra fair in 2014. The observations about the customers and their interests, behaviour and opinions were used to develop more customer-oriented plan. Mostly all the knowledge about the company and the target customers are gained by observation.

The data analysis was executed in order to gain knowledge about the customer behaviour in the case company's website. The collected information cannot be used alone without other methods because the information is not specific. The collected data gives information that can support the other methods, which leads to the conclusions about different matters of the company.

3.5 Limitations and structure of the research

Limitations of the research are the lack of existing data. A-Faber Ltd has only collected data from website and customers reviews and feedbacks. The data has not been analysed in the purpose of developing customer and marketing oriented operations.

The structure of the research is first to collect the existing data and conduct the interviews and discussion. The collected data is analysed supported by the knowledge gained from the interviews and discussions in order to create a plan to customer friendly, marketing oriented operations.

3.6 Validity and reliability

Validity means that the matter is authentic or genuine. In the research it is about the truthfulness of the conducted research (Validity 2015). Reliability means that the matter, person or research is dependable (Reliability 2015). Validity and reliability in a case study research is questioned because there is not single way to test the validity and reliability of a case study's each research phase. (Riege 2003)

The reliability is based on the experience of the main owner and the chairman of the company, the experience of the company's CEO and the author's knowledge of the company. The data has been collected from customers and calculator programs that count customer visits on websites. The customer visits on the website are analysed by looking the marketing methods used at the times.

4 Empirical study

4.1 The purpose of the case study

The purpose of the case study is to create to A-Faber Ltd a business plan to enhance the company's marketing and get indication for the ideation of developing old and creating new products. The business plan will mainly frame the current situation of the company in order to develop the company's operations in customer and marketing-oriented way.

4.2 Case company, A-Faber Ltd

A-Faber Ltd was established in 2001 by Pelanteri J & K Ay, T:mi Porola and Agrilaari Ltd. The company's roots begin from 1997, when the need for cleaning organic grain before drying was growing. The first product, Akanaseula, was created by trying different methods to clean the

grain during the grain was moved to kiln by using screw conveyor. The knowledge of the need of the product helped in productisation and marketing. The product was first marketed under the company called Pelanteri J & K Ay. In 1998 Akanaseula was selected to the organic appliance of the year. Pelanteri J & K Ay was working closely with T:mi Porola who was producing small ploughs.

In 2001 Pelanteri J & K Ay, T:mi Porolan and Agrilaari Ltd established A-Faber Ltd. A-Faber Ltd did not have fixed business premises, which encouraged selling the products through Internet. On the beginning 21st century, A-Faber Ltd was working on a project “Nettimaa” together with Agriculture consultation organization. During the project website and online store was created to A-Faber Ltd. The products were not produced by A-Faber. The company was responsible for marketing and production logistics organization.

The most active years of A-Faber Ltd were 2001-2006 when the demand for small ploughs was highest. In 2005-2006 the demand of the ploughs decreased because of new competitors on the market. A-Faber Ltd decided to decrease the expenses and marketing and have the company on stand-by since 2008. During 2013 the ownership of the company changed when Jouko, Kaisa, Lauri and Viivi Pelanteri bought all the shares of the company re-activating the company at the same time.

4.2.1 The purpose of the company

The purpose of the A-Faber Ltd's business is to offer a product to farmers and farms to help them clean the grain they are farming. The product is mainly offered to organic farmers and farms that do not use any pesticides, which is the reason for the need of a product that helps cleaning the grain.

A-Faber Ltd's mission is to help farmers to make their processes faster and more cost efficient by offering a method with simple expansion product or the full product for cleaning the grain and sorting minor seeds. A-Faber Ltd's vision is to offer a product that makes it easier to act as an organic farmer. The objective of A-Faber Ltd is to offer competitive and reliable product to the target customers for reasonable price.

4.2.2 Products of the company

Currently, A-Faber Ltd has two products for cleaning the grain and sorting minor seeds after harvesting. The products have the same purpose and method with the difference of that the first product is a part to a device and the second product is combination of them.

The first product is Akanaseula, which has been on the markets since 1998. Akanaseula is an expansion product for screw conveyor, which helps to clean the grain and sorting minor seeds while be moving it to kiln.

The second product, Faber seularuuv, was designed and brought to markets during 2014 to 2015. Faber seularuuv is developed version of Akanaseula, which is the whole package including Akanaseula and screw conveyor.

4.2.3 Personnel

Four owners manage A-Faber Ltd. The company does not have any employees from outside the company. A-Faber Ltd does not have any full-time workers since all the owners work for other employers.

The company's chairman Jouko Pelanteri is the main owner of the company and is in charge of most of the customer contacts. The chairman handles the orders and product deliveries. The billing is done by the chairman and the CEO Lauri Pelanteri. The chairman is in charge of the assembly of the final product.

A-Faber Ltd's CEO Lauri Pelanteri is in charge of the production organisation. The CEO organizes the outsourced production chain of products' parts. Lauri Pelanteri is also in charge of drafting the product development graphs.

The product development ideas come from all the owners. The CEO drafts the best ideas and the decision of the production is done by the owners of the company. All the company's owners are responsible for marketing ideas and creating marketing material. The chairman of the company is responsible of the marketing together with the CEO.

4.3 Market analysis

4.3.1 Target market

The target customers of A-Faber Ltd are mainly organic farmers and farms in Finland. The market that A-Faber Ltd is operating is Finnish agriculture market.

The target market is limited and small. The size and limitations of the target market creates challenges in becoming successful business on the field. However, it also gives an opportunity to satisfy the target customers better and concentrate on understanding the needs of the customers. The changing and tightening regulations are threat, which can decrease the markets.

The challenge of predicting the demands and needs of the target market is that the agriculture field's demand depends on the end user's, Finnish consumers', choices. If the consumers use Finnish agriculture products, they choose to support Finnish products and production, which leads to increasing demand. In case of the end users supports production abroad, the demand in Finnish agriculture field decreases.

Finnish agriculture markets as a target market is challenging. The changing conditions and regulations as well as minimized support for farms are the reason for decreasing profitability of agriculture industry. Decreasing profitability compels farmers to re-education in order to change profession

4.3.2 Customer behaviour analysis

A-Faber Ltd began to use a Google analytics tool in April 2015 in order to follow customer behaviour in A-Faber Ltd's website. The information that the tool offers has not been officially analysed by using it to show information about the customer behaviour according to different marketing methods. The aim is to use the tool more by collecting data of the marketing methods used at the time and analyse them by looking at the visitor information. According to the chairman Jouko Pelanteri, at the moment advertising in newspapers and magazines activates people to call and ask about the products and the advertising in social media and agriculture related forums brings people to A-Faber Ltd's website.

Google Analytics tool shows the information for example about how many people visits the website, how long they stay at the page and the average how many pages the customers look while visiting the website.

According to the Google Analytics since the tool has been taken to use, A-Faber Ltd's website has had the total around 1350 visitors from Finland. Around 720 of the visitors stayed on the website. 260 of the visitors were returning to the page. The visitors visited average of 7,41 pages during their session and stayed on the webpage almost six minutes.

The total of all visits in the webpage starting from April 2015 is almost 4900. Most of the visitors are from other countries than Finland. The visitors outside of Finland most likely are search engines and trolls and some of the visitors have most likely opened the webpage while using Internet search for some other purpose and left the page right away.

In order to gain more knowledge of the customer behaviour, the data of different marketing methods must be recorded better. The aim is to create a system to collect more data about customer behaviour and that way to direct the marketing better.

The plan is to collect data from customers by creating short surveys with couple well selected questions that give a lot of information about customer behaviour. The surveys will be conducted in A-Faber Ltd's website and Facebook page.

4.3.3 Competitor analysis

A-Faber Ltd's current competitors are the companies that offer additional product or machine to clean the grain and to sort minor seeds after harvesting.

Agrimarket and K-Maatalous are large companies with wide range of agriculture machines, equipment and appliances. The companies have built reputation in agriculture industry and the customers know the products and the brand of the companies.

Agriculture industry has many minor operating companies that sell machines, equipment and appliances for different purposes. The companies' recognisability differs depending on the company.

A-Faber Ltd has many competitors in the agriculture industry. Some of the companies have wide range of products and the others have only few products on the market. In order to A-Faber Ltd to gain competitive advantage the company must develop and increase marketing in order to built the knowledge and reputation of the company. To gain competitive advantage, A-Faber Ltd could also develop a special product that other competitors do not offer.

4.3.4 Competitive analysis

The actions of A-Faber Ltd will probably not affect to the competitors operations in the near future. A-Faber Ltd will not begin to develop equivalent products to competitors' products. The company will gain competitive advantage by creating new solutions to farmers and farms instead of competing directly with the other competitors. Currently, the company does not benefit from selling and competing with the equivalent products than the competitors because of the lack of resources. A-Faber Ltd will increase the recognisability of the company before considering competing in the markets with equivalent products with the competitors.

4.3.5 SWOT



Figure 1: SWOT

The strengths, weaknesses, opportunities and threats of the company and the industry that the company operates are introduced in figure 1.

A-Faber Ltd has many different strengths that helps to operate in the changing markets. The need of a product that helps cleaning the grain after harvesting is greater when the farmers and farms choose to begin organic farming. A-Faber Ltd's competitors does not have equivalent product to Faber-Akanaseula or Faber-Seularuuv, which is considered as competitive advantage. A-Faber Ltd is more and more visible in Internet through company's own website, Facebook profile and forums. The production is outsourced, which is the reason that company has not investments in production machinery. A-Faber Ltd has good contracts with the sub-contractors that have to be maintained in order to not to invest in machinery. A-Faber Ltd utilizes different marketing channels to be able to reach as many customers as possible. The organisation of the company is flexible, which enables the company to make quick decisions in the changing business environment.

The strengths are maintained by keeping on developing the products as the demand changes and trying to develop the processes more efficiently and with lower price. The company must stay on track with the development by collecting data from the customers and competitors in order to have and gain competitive advantage. In order to A-Faber Ltd to be visible for all the

potential customers, the company has to advertise using different marketing channels because of the variety of the target customer types. The company will increase visibility by trying out more low-cost methods and by using social media's potential efficiently. The organization structure of the company will not change because of the uncertainty of the target markets that demands the ability of quick decision-making. A-Faber Ltd will not invest in production machinery because of the unstable situation of agriculture markets and because it is not necessary or cost-effective. The company will maintain good relations with the subcontractors.

The weaknesses of A-Faber Ltd are the small markets that the company operates, limited resources, limited range of products, poor financial situation of the target customers, the small company's lack of credibility and products on the market compared to larger companies and the lack of face-to-face contacts with the customers. The markets that A-Faber Ltd operates is small, which creates challenges in becoming successful. The owners run the company's operations without outside personnel. The owners are working full-time in other jobs, which means that A-Faber Ltd has limited resources in use. Currently, A-Faber Ltd has two products on markets, which gives competitive advantage to the competitors, since they can offer customers wider range of choices. Currently, the profitability of agricultural production is not good. The agricultural subsidies are cut and the profit from the products are low, which leads to the situation that the farmers must find other jobs or continue without investing a lot to machinery or different devices. The lack of credibility compared to large companies such as Agrimarket is huge disadvantage. The customers easily trust to larger companies with known reputation. A-Faber Ltd operates mainly through Internet and phone. The lack of customer contacts face-to-face might create a wall between the customer and company, which leads to the decrease in sales.

In order to A-Faber Ltd to avoid, overcome and remove the weaknesses, the company will collect data from customers to develop old and new products. The aim is to create more and more efficient systems to collect information and run the processes and overcome the lack of resources. At the moment, the uncertainty of the markets is the reason that A-Faber Ltd will not hire personnel and the owners will still keep their full-time jobs. To gain competitive advantage, A-Faber Ltd will collect information about customer needs mainly from customers but also from other sources. In order to gain competitive advantage and to be more successful than the competitors, A-Faber Ltd must keep on developing new solutions and products for reasonable price. The company's aim is to be more active in following agriculture forums and articles from different sources. The aim is to develop cost-effective products that can be sold for lower price without losing profit. A-Faber Ltd will be more visible and built reputation by using more low-cost marketing methods and channels. Currently A-Faber Ltd does not have the resources to make more face-to-face contacts with the customers. In the future, depend-

ing on the direction of agriculture markets, company can invest to customer meetings and take part in different fairs more regularly.

A-Faber Ltd's opportunities in the operating market are the challenges in Finnish agriculture industry, development needs for new and economical technology and climate changes. The challenges of Finnish agriculture industry create an opportunity for developing a product or service to help the customer to overcome the difficulties. Because of the poor financial situation and lack of profitability of the target customers the need for new and economical technology is increasing. The climate changes are a threat to the industry but opportunity to A-Faber Ltd to develop solutions to overcome the difficulties that climate changes bring to the agriculture industry.

Opportunities of the agriculture industry create an opportunity to find a solution for the customers and increase the success of the company. To utilize the opportunities of the operating industry the company will create and develop efficient and cost-effective way to collect information about the needs of the target market In order to develop a demanded product. To be able to develop a needed product A-Faber Ltd must develop an idea: how to make it better and more cost-effectively and the developed product will be sold with a method that helps the customers.

The threats of the agriculture industry are decreasing subsidies, weakening financial situation of the farmers and farms and climate changes. The decreasing subsidies and poor profitability are threats to industry because the customers do not want to invest on technology or products when the future is uncertain and the uncertainty of the future and poor profitability might lead to farms to end their operations and begin to work in some other field. The climate changes are threat to the industry because of the uncertainty of it and uncertainty of how will it effect to farmers and farms.

In order to overcome the threats of the agriculture industry, the company must develop products that have low production costs and can be sold by lower price. The climate changes are out of any company or people's authority, however the ideas and developed products can help farmers and farms to overcome the difficulties that the climate changes bring along.

The weaknesses and threats can be overcome with good decision at the right time. The opportunities must be analysed and based on the results new solutions for the target customers can be developed and produced. The strengths have to be maintained to keep them from becoming weaknesses in order to be able to become more successful.

4.4 Marketing strategy

The marketing strategy of A-Faber Ltd is to reach all the possible customers through different marketing channels.

Currently A-Faber Ltd's marketing channels are the company's website, Facebook profile, advertising in different forums, newspaper and magazine advertising and fair promotion. The marketing channels will mainly be the same because of the customer current behaviour knowledge based on experience during the customer contacts and product sales.

The objective is to make the company visible and information and customer service easy to reach. Because the target customers are different in many ways, also the marketing methods must vary. Some of the target customers might not use social media, which is the reason to use also other marketing channels outside of social media and Internet. A-Faber Ltd's aim is to collect more data from the customers about their preferences of marketing in order to develop marketing cost-effectively.

The marketing strategy plan is to make the company visible and the products known by using different marketing methods and channels. The main marketing channels will be Facebook profile and farming related forums, where possible customers are directed to find more detailed information about the products from the company's website. Farming related newspaper and magazine advertisements will also be one of the main ways of marketing the products. It is important to make the company visible in person, which is done during farming related fairs, by having company's stand to promote and sell the products. The aim is to build and develop stronger and more cost-effective marketing strategy, which serves all the customers. In order to create the marketing strategy, the company will collect data from customers during the customer contacts in the social media, Internet, phone and in person.

4.4.1 Product strategies

A-Faber Ltd' product strategy is to offer good quality product with reasonable price. The aim is to listen the customers' needs and wants in order to develop desired product with a method. The information about customer needs is collected from different sources. The trends will be followed more closely as well as the feedback from customers is collected during the selling process and after the customer has the product in use. The feedback is collected mainly by email and phone and the feedback section is made more visible in the company's website.

The aim is to build reliable quality product family that serves the need of the target customers. The product family is developed depending on needs, trends and the situation of the tar-

get market. To be able to achieve the goal, the current products' marketing is increased and feedback is collected from the customers better, in order to develop a new products.

4.4.2 Pricing strategy

The pricing strategy is to offer a reliable product for reasonable price. The pricing is determined by analysing the costs of the production, competitors' pricing and the demand.

Akanaseula and Faber seularuovi are not mass production products. Mass production costs less than production of smaller amounts. Because of the more expensive production, the products' price is higher than it would be for the same product produced by mass production.

Currently the markets do not offer equivalent products. The lack of competitors with the same product allows producing less products with higher price. The demand in Finnish markets is quite low, which is the reason that mass production is not efficient.

The production costs, lack of competitors with equivalent products and low demand in the markets are the reason and the base of current and future pricing. The products' pricing would be lower if the demand is higher and mass production efficient. Current situation does not allow lowering the prices.

4.4.3 Action plan

A-Faber Ltd's action plan is to increase customer oriented marketing of the new product, Faber seularuovi, and collect feedback from customers in order to take the product develop forward and develop new products.

In the next five years, A-Faber Ltd will collect reliable from customers and develop a new demanded product for the target customers. In order to accomplish it in five years, A-Faber Ltd must built different ways of collecting information, feedback and data of the needs of the customers. After collecting information, feedback and data, it has to be successfully analysed. Successful analysing will allow the company to create a product based on need and demand.

The first steps of collecting more data from customers and other sources is creating surveys with few well-selected questions and making the feedback section more visible in the company's website. The Chairman, Jouko Pelanteri, is responsible mainly of the customer contacts, will keep book of the customer contacts and possible feedbacks and development ideas. The

data will be analysed after the company has enough respondents in order to have reliable data.

A-Faber Ltd will increase low-cost marketing mainly in social media, in order to make the company more visible and to attract more potential customers. The company will use different forums, articles and other possible sources to support the results of the surveys and feedbacks in order to plan and develop demanded products. The changes in the target market are followed to be able to move the direction of the company or product development if the situation changes suddenly.

Action plan for processes will remain the same and is discussed more in chapter 4.6 Operations and processes.

4.5 The financial situation of the company

4.5.1 Expenses of operating company

Operating companies have a lot of expenses to cover by sales and possible other incomes. The expenses of operating company depends on if the company is active or not active and if the company has different on going development processes.

A-Faber Ltd has been on stand by for several years before it started the operations again in 2014. Before the re-activation the company's expenses but also the sales were close to zero. The expenses of A-Faber Ltd consist mainly from material costs, subcontractor costs, maintaining costs, marketing costs and insurance and management costs. The most of A-Faber Ltd's expenses are the costs from outsourcing and marketing. Personnel costs are close to zero because A-Faber Ltd does not have hired employees. During 2014 A-Faber Ltd took part in Okra fair, which increased the costs of marketing.

Company's decisions and operation strategies define the amount and type of the costs currently and in the future. The decisions of being part in a fair or developing a new product are decisions that effect A-Faber Ltd's expenses a lot by increasing the usual costs.

4.5.2 Sales and volume plan

A-Faber Ltd's aim is to increase sales during the next few years by marketing more efficiently. The sales volume has stabilized during the years with Faber-Akanaseula. Faber-Seularuuvu is the new product and the volume of the product's sales is not as high as Faber-Akanaseula's sales volume.

Currently the sales volume of Faber-Akanaseula is about 40 products per year and for Faber-Seularuuvu the volume is about 20 products per year. The aim is to increase the sales volume from 60 products per year to 90 to 100 products per year. The desire is to increase the sales of Faber-Akanaseula from 40 products per year to 60 products and double the sales of Faber-Seularuuvu.

After A-Faber Ltd was reactivated the turnover during the first year was about 20 000 euro. On the next year the turnover was almost doubled even the profitability on the second year was close to zero because of the investments in developing process. The aim is to increase the sales in order to have a turnover of 100 000 euro in next five years.

4.6 Operations and processes

A-Faber Ltd's operations are based on outsourced processes. The company uses subcontractors in order to produce the final products.

The operations done within the company are product development, customer contacts, billing, product deliveries, marketing and some of the final assembly of the products. The company has outsourced the production of the components, manufacturing of product parts and some of the assemblies of the products.

The processes of production of the products differ slightly depending of the product. Most of the processes are outsourced to subcontractors. The company's personnel are responsible of the delivery process through Matkahuolto and packing of Faber-Akanaseula.

The production of Akanaseula starts by ordering the components and part manufacturing from subcontractors Reikälevy Ltd and Lapuan Piristeel Ltd. Ready parts are transported to the storage where the packing of the final product takes place. The steps of production process of Faber-Akanaseula are introduced in figure 2.



Figure 2: Production process of Akanaseula

The production process of Faber-Seularuuvu begins by ordering the components and subcontractors' part manufacturing. The manufactured parts and components are transported to the assembly and packaging. The Assembly and packaging is done by the subcontractor Metalli Palmu Ltd. The assembled and packed products are transported to storage. The steps of the production process of Faber-Seularuuvu are introduced in figure 3.



Figure 3: Production process of Faber-Seularuuvi

The delivery process begins from receiving an order from a customer. In the ordering process the customer can choose from advance billing invoice to cash delivery. If the customer chooses advance-billing invoice, the bill is sent to the customer before sending the product. After the payment of the product is received the product is sent to the customer and A-Faber Ltd covers the delivery costs. If the customer chooses cash delivery the product is delivered to customer and the product is paid when receiving the product. When the customer chooses cash delivery, the delivery costs are added to the product's price.

The delivery is tracked to verify that the customer receives the product. The steps of the delivery process are introduced in figure 4.

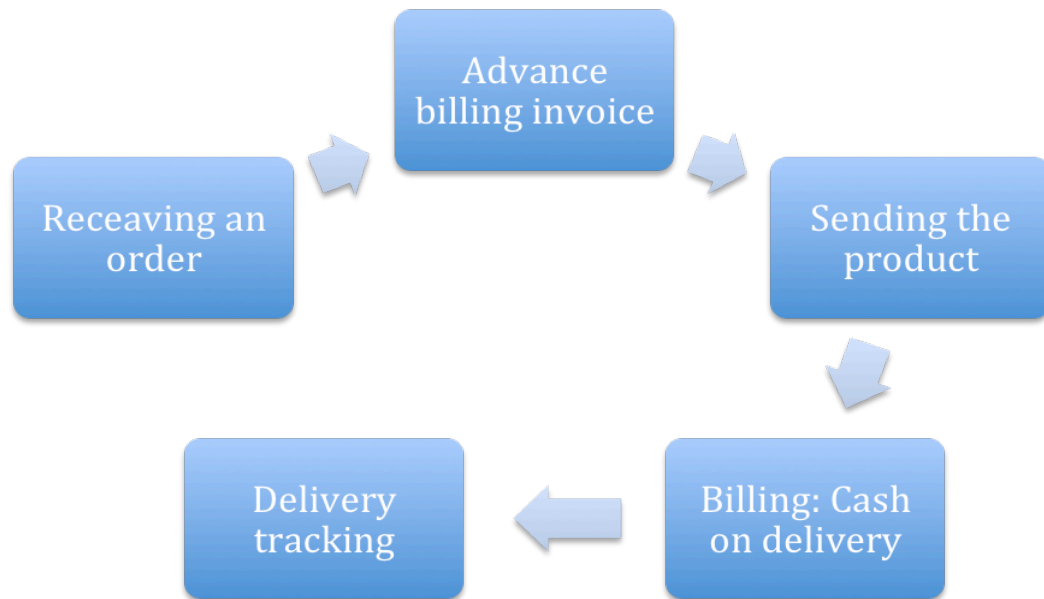


Figure 4: Delivery process

5 Conclusion and recommendations

A-Faber Ltd has many development objectives to concrete in order to becoming successful company in agricultural markets. The company must develop an efficient way to collect data to understand customer behaviour better in order to direct the marketing on the right way. The company should develop more competitive products to be able to compete with all the competitors in the agriculture business. The weaknesses and threats of the company must be thought through in order to overcome the obstacles that might threaten the company.

The aim of A-Faber Ltd is to collect customer feedback and information about customer behaviour mainly through Internet. The data is collected by surveys and more visible feedback sections. Because the customers are contacting the company also by phone, the company will collect data and keep book on the customer contacts, feedbacks and possible development ideas. The information is also collected from other sources than directly from customers in order to have more reliable data.

A-Faber Ltd will analyse the collected data in order to develop the marketing processes and methods to be more efficient as well as developing old and creating new products. The company's production process and financial matters will not change, in order to be able to focus on the company's and products' marketing and customer-oriented operations.

6 Theoretical Linkage

The theoretical background of the thesis has enabled the author to use varied theories concerning business planning, business and marketing strategies.

The benefits and the purpose of the business plan was created to a case company based on the methods and the theories presented in the thesis, in order to built the business plan to an existing company by using empirical study.

The theories related to SWOT analysis, target markets and customer behaviour has given the opportunity to realize the situation of the case company and to find the needed development points in order to take the case company forward.

7 Summary

The thesis was created in order to develop a customer and marketing-oriented business plan to an existing company. The thesis consist of theoretical background concerning about a business plan. The research approach is a case study, which was conducted by using existing data and interviewing and discussing with the owners of the case company.

A business plan has physical and mental dimensions, which are brought together in a business plan in order to develop a successful business. Business plan has many advantages and benefits for the company and the creator of the business plan. The plan clarifies the current and future situation of the company. A Business plan helps to develop the operations and actions of the company and highlights the matters that need to be modified.

A business plan was created to an existing company by using a case study research approach. The plan was developed based on the limited data of the customers and their behaviour and experiences and knowledge of the owners of the case company.

The results of the case study were that the case company, A-Faber Ltd should develop efficient ways to collect information from and about the customers in order to develop old and create new products and direct the product marketing on the right way. The aim of the company is to increase marketing and reputation of the company in order to gain more customers and further more feedback from the customers. The production operations, processes and financials of the company will be maintained the same than before. The main development need is with the marketing and the focus of the marketing to the right customers in right way.

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